EEA Financial Mechanism 2021-2028

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

and

The Ministry of Finance,
hereinafter referred to as the "National Focal Point",

representing Latvia,
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Local Development and Resilience"
hereinafter referred to as the "Programme"

Table of Contents

Chapter 1 Scope, legal framework, and definitions 3
Article 1.1 Scope 3
Article 1.2 Legal Framework 3
Article 1.3 Definitions 3
Article 1.4 Annexes and hierarchy of documents 3
Chapter 2 The Programme 3
Article 2.1 Co-operation 3
Article 2.2 Main responsibilities of the Parties 3
Article 2.3 Objective(s) of the Programme 4
Article 2.4 Programme grant 4
Article 2.5 Special conditions and programme specific rules 4
Article 2.6 Reporting 4
Article 2.7 Monitoring and audits 4
Article 2.8 Modification of the Programme 4
Article 2.9 Communication 5
Article 2.10 Contact information 5
Article 2.11 Representations and warranties 5
Chapter 3 Projects 5
Article 3.1 Selection of projects and award of grants 5
Article 3.2 Project contract 5
Article 3.3 Project partners and partnership agreements 5
Chapter 4 Finance 6
Article 4.1 Eligible expenditures 6
Article 4.2 Proof of expenditure 6
Article 4.3 Proof of conditions fulfilled for simplified cost options 6
Article 4.4 Payments 6
Article 4.5 Transparency and availability of documents 6
Article 4.6 Irregularities, suspension and reimbursements 6
Chapter 5 Final provisions 6
Article 5.1 Dispute settlement 6
Article 5.2 Termination 7
Article 5.3 Waiver of responsibility 7
Article 5.4 Entry into force and duration 7

Chapter 1
Scope, legal framework, and definitions

Article 1.1
Scope

This Programme Agreement between the Financial Mechanism Committee (hereinafter referred to as the FMC) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA Financial Mechanism 2021-2028 to the Programme.

Article 1.2
Legal Framework

1. This Programme Agreement shall be read in conjunction with the following documents which, together with this Programme Agreement, constitute the legal framework of the EEA Financial Mechanism 2021-2028:

a) Protocol 38d to the EEA Agreement on the EEA Financial Mechanism 2021-2028;

b) the Regulation on the implementation of the EEA Financial Mechanism 2021-2028 (hereinafter referred to as the "Regulation");

c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2021-2028, entered into between the Donor States and the Beneficiary State; and

d) any guidelines adopted by the FMC in accordance with the Regulation.

2. In case of an inconsistency between this Programme Agreement and the Regulation, the Regulation shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this Programme Agreement that is incompatible with the legal framework constitutes a breach of this Programme Agreement by that Party.

Article 1.3
Definitions

Terms used and institutions and documents referred to in this Programme Agreement shall be understood in accordance with the Regulation, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this Programme Agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this Programme Agreement. Any reference to this Programme Agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this Programme Agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this Programme Agreement, the provisions of the annexes shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the preparation of the programme are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in this Programme Agreement.

Chapter 2
The Programme

Article
2.1 Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this Programme Agreement.

2. The Parties agree to provide all information necessary for the good functioning of this Programme Agreement, including risk assessment and response analysis, and to apply the principles of implementation as set out in the Regulation.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this Programme Agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice or giving rise to a conflict of interest. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to this Programme Agreement.

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA Financial Mechanism 2021-2028 in the Beneficiary State and for the full and correct implementation of this Programme Agreement. In particular, the National Focal Point undertakes to:

a) comply with its obligations stipulated in the Regulation and this Programme Agreement;

b) ensure that the Certifying Authority, the Audit Authority and the Programme Operator properly perform the tasks assigned to them in the Regulation and this Programme Agreement;

c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme, including ensuring the appropriate allocation of staff and other resources, throughout the programme period;

d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in projects within the Programme, including measures to recover misspent funds; and

e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The FMC shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this Programme Agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3
Objective(s) of the Programme

1. This Programme Agreement sets out the objective(s), outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective(s), outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in this Programme Agreement.

2. The programme budget annexed to this Programme Agreement shall:

a) contain a breakdown between the Programme's budget headings; and

b) indicate the agreed advance payment, if any.

3. The management cost of the Programme Operator shall not exceed the amount specified in this Programme Agreement.

Article 2.5
Special conditions and programme specific rules

1. This Programme Agreement shall list any conditions set by the FMC with reference to Article 6.3.2 of the Regulation. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this Programme Agreement.

Article 2.6
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports and a Final Programme Report in accordance with Chapter 9 and Article 6.8 of the Regulation as well as other reporting in accordance with guidelines adopted by the FMC.

Article 2.7
Monitoring and audits

The monitoring and audits referred to in Chapter 10 and Chapter 11 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.8
Modification of the Programme

1. Unless otherwise explicitly stipulated in this Programme Agreement, any modification of the Programme is subject to prior approval by the FMC.

2. Budget reallocations to and from calls and pre-defined projects (both within the same outcome and between outcomes) are permitted without a modification of the Programme Agreement or prior approval by the FMC for an amount of up to 10% of the total allocation for each planned call or pre-defined project.

3. Changes to the Programme which have been agreed in their entirety through a modification of the relevant Memorandum of Understanding do not require a modification of the Programme Agreement. In such cases, the Programme Agreement shall be updated by the FMC.

4. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this Programme Agreement.

5. Expenditures in breach of this Article are not eligible.

6. Should there be a doubt as to whether a modification of the Programme Agreement is

required, the National Focal Point shall consult the FMC before such modifications take effect.

7. Requests for modifications shall be submitted and assessed in accordance with Article 6.7 of the Regulation.

Article 2.9
Communication

1. All communication to the FMC regarding this Programme Agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the FMC towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations in English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.10
Contact information

1. The contact information of the Programme Operator is as specified in this Programme Agreement.

2. The contact information for the FMC and the Financial Mechanism Office are:

Financial Mechanism Office

Att: Managing Director

EFTA House

Avenue des Arts, 19H

1000 Brussels

Telephone: +32 (0)2 286 1701

E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this Article shall be given in writing without undue delay by the Parties to this Programme Agreement.

Article 2.11
Representations and warranties

1. This Programme Agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the FMC prior to the signing of this Programme Agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point, in connection with the implementation or conclusion of this Programme Agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulation and this Programme Agreement.

2. Eligibility of Project Promoters and project partners is stipulated in Article 7.2 of the Regulation and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this Programme Agreement.

3. Pre-defined projects shall be outlined in this Programme Agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5.2 of the Regulation.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form or the project contract shall comply with Article 7.9 of the Regulation.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in point (y) of Article 1.6 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.10 of the Regulation.

2. If one of the parties to the agreement is an entity from the Donor States, the partnership agreement

shall be in English and shall be based on a template provided by the FMC.

3. The eligibility of expenditures declared by a project partner is subject to the same rules as would apply if the expenditures were declared by the Project Promoter.

4. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this Article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Without prejudice to Article 8.9 of the Regulation, eligible expenditures of this Programme are:

a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

b) payments to projects within this Programme in accordance with the Regulation, this Programme Agreement and the project contract; and

c) payments to activities funded by the bilateral funds allocated to the programme.

2. Expenditures of Project Promoters and project partners are eligible provided that they are in accordance with the provisions of Chapter 8 of the Regulation and any further provisions contained in this Programme Agreement.

3. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.14 of the Regulation. The first date of eligibility of any pre-defined project shall be no earlier than the date of entry into force of the Programme Agreement.

4. The maximum eligible costs of the categories referred to in paragraph 1 are set in this Programme Agreement. Programme specific rules on the eligibility of expenditure set in this Programme Agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulation.

Article 4.3
Proof of conditions fulfilled for simplified cost options

Costs of the Programme Operators, Project Promoters and project partners that are covered by simplified cost options shall be supported by the proof of conditions fulfilled in accordance with Article 8.13 of the Regulation.

Article 4.4
Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this Programme Agreement and the Regulation have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.5 of the Regulation.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance.

4. The National Focal Point shall ensure that payments are transferred in accordance with Article 9.1.2 of the Regulation.

5. Chapter 9 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.5
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA Financial Mechanism 2021-2028 to the Programme in accordance with Article 9.8 of the Regulation.

Article 4.6
Irregularities, suspension and reimbursements

The FMC has the right to make use of the remedies provided in the Regulation, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the Programme Agreement before any

national or international court and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the FMC is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

1. The FMC may, after consultation with the National Focal Point, terminate this Programme Agreement if:

a) a general suspension decision according to Article 13.6 of the Regulation or a decision to suspend payments according to point (h) of Article 13.1.1 of the Regulation has not been lifted within 6 months of such a decision;

b) a suspension of payments according to Article 13.1 of the Regulation, other than under point (h) of Article 13.1.1, has not been lifted within one year of such a decision;

c) a request for reimbursement according to Article 13.2 of the Regulation has not been complied with within one year from such a decision;

d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

e) the Programme Operator has, in the opinion of the FMC, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This Programme Agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the FMC to make use of the remedies provided in Chapter 13 of the Regulation.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the FMC, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the Programme Agreement.

2. Nothing contained in the Programme Agreement shall be construed as imposing upon the FMC or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The FMC does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the FMC for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the Programme Agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this Programme Agreement.

6. Nothing in this Programme Agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4
Entry into force and duration

1. This Programme Agreement shall enter into force on the date of the last signature of the Parties.

2. This Programme Agreement shall remain in force until five years have elapsed after the date of the acceptance of the Final Programme Report.

****

This programme agreement is drawn up in two originals in the English language.

For the Donors	For the National Focal Point
Signed in Oslo on 09/10/2026	Signed in Riga on 12/10/2026
.....	.....
Kristin Hansen	Armands Eberhards
FMC Chair	Head of NFP

Annex I to the Programme Agreement

Roles	
Programme Operator:	Ministry of Smart Administration and Regional Development – Latvia
Donor Programme Partner:	Norwegian Association of Local and Regional Authorities Norwegian Directorate for Civil Protection
IPO:	-
Other Programme Partner(s):	-

Indicator	Disaggregation	Unit of measurement	Data source	Baseline	Planned Target[1]
PA09 objective: Improved disaster resilience.					
Outcome 1: Strengthened civil protection system and crisis preparedness					
Number of people with access to civil protection infrastructure supported by the Programme (e.g., shelters)		Cumulative number	Project promoter records	0	107,630
Number of social centres and healthcare institutions equipped with operational back-up energy systems (e.g., generators or battery storage)		Cumulative number	Project promoter records	0	30
Total area (m2) of new or upgraded facilities that meet civil protection shelter requirements and are equipped for shelter functionality		Cumulative number	Project promoter records	0	80,805
Estimated volume of contacts, reach and interactions resulting from advocacy / awareness campaigns		Cumulative number	Google and social media analytics; attendance sheets; and other PP records	0	3,000,000
Number of institutions that have implemented measures to strengthen preparedness and resilience for effective response to crises (e.g., fires, floods, other emergencies)		Cumulative number	Project promoter records	0	40
Output 1.1: Strengthened civil protection infrastructure for crisis situations					
Number of modernised and newly installed emergency sirens		Cumulative number	PP records	0	50
Number of generators procured and installed		Cumulative number	PP records	0	35
Output 1.2: Increased knowledge and awareness among the communities on response to crisis					

[1] Planned targets included in the above table represent the level of ambition at the time of Programme Agreement conclusion or following major modifications of the Programme. These targets shall not be used to measure the level of success of the programme. Actual targets following project contracting shall be reported on annually in the Country Reports and the Final Programme Report.

Number of advocacy/awareness-raising campaigns carried out		Cumulative number	Project Promoters' records	0	3
Number of crisis response ambassadors established	Gender	Cumulative number	Project promoter records	0	150
Number of public administration employees who successfully complete training on crisis preparedness	Gender	Cumulative number	Training attendance sheets PP records	0	100
Output 1.3: Strengthened inter-institutional capacity and coordination for crisis situations					
Number of ICT module for civil protection data integrated into the existing national system and accessible to municipal and local level entities		Cumulative number	PP records	0	1
Number of professionals with improved skills in emergency preparedness	Gender	Cumulative number	Attendance sheets, Project promoter records	0	20
Number of emergency preparedness trainings or simulations conducted		Cumulative number	PP records	0	11
Output 1.4: Improved capacities to protect cultural heritage in crisis situations					
Number of cultural heritage institutions with updated and tested emergency response plans tailored to current threats		Cumulative number	Project promoter records	0	4
Number of thematic guidelines on strengthening resilience in the cultural heritage sector developed and disseminated		Cumulative number	PP records	0	1
Number of cultural heritage institutions with improved physical protection measures for cultural assets against crisis-related risks		Cumulative number	Project promoter records	0	1
Number of mobile cultural heritage emergency rescue containers procured, operationally equipped and ready for deployment in crisis situations		Cumulative number	PP records	0	1
Number of trainers successfully completing the training of trainers' programme on safeguarding cultural heritage in situations of crisis		Cumulative number	Project promoter records	0	20
PA06 objective: More resilient, inclusive, and sustainable communities.					
Outcome 2: Strengthened community preparedness and citizen engagement in local governance					
Number of municipalities with new or improved and functioning citizen engagement mechanisms		Cumulative number	Project promoter records	0	21
Share of participants from socially vulnerable groups who recognize the library as a safe and accessible space after the project activities[2]		Percentage	Surveys	N/A	70 %

[2] Participants belonging to socially vulnerable groups will be identified through voluntary self-identification in project monitoring surveys, based on nationally recognised categories of social vulnerability.

Number of people self-reporting a change in their knowledge from advocacy/awareness activities (self-reporting improved understanding of misinformation and safe digital behaviour)		Cumulative number	Surveys; attendance sheets; and other project promoter records	0	100
Output 2.1: Enhanced citizen engagement mechanisms and participatory governance tools					
Capacity building package for active residents in rural regions has been developed and implemented		Binary	Project promoter records	No	Yes
Number of new or improved guidelines or standard operating procedures developed for citizens participation		Cumulative number	PP records; municipal decisions	0	4
Number of citizens with improved skills in citizen engagement mechanisms		Cumulative number	Project promoter records	0	110
Output 2.2: Improved municipal-level crisis preparedness					
Number of local administration staff, councillors and volunteer NGO representatives with improved skills in crisis preparedness and management[3]	Gender	Cumulative number	PP records; attendance lists; participant survey during the event	0	2,000
New interoperable municipal crisis management platform providing real-time situational awareness, secure coordination, and integration with national-level systems developed		Binary	Project promoter records	No	Yes
Number of proposals for legislation amendments contributing to good crises governance		Cumulative number	PP records	0	1
Number of standard procedures for action in crisis situations for municipal specialists involved in crisis management		Cumulative number	PP records	0	4
Number of established local government thematic cooperation networks		Cumulative number	Project promoter records	0	4
Output 2.3: Inclusive, multi-purpose community spaces developed					
Number of libraries equipped and operational as safe spaces for communities		Cumulative number	Project promoter records	0	7
Number of librarians successfully completing trainings on the foundations of community resilience		Cumulative number	Training attendance sheets PP records	0	500
Number of partnerships with local community organisations to codesign events/initiatives		Cumulative number	Project promoter records	0	20

[3] Non-governmental organisation (NGO): a non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs.

Number of events co-designed with socially vulnerable groups		Cumulative number	Project promoter records	0	7
Output 2.4: Enhanced media literacy among residents					
Number of events on media literacy for civic engagement delivered		Cumulative number	Project promoter records	0	70
Number of local media involved in media literacy trainings for librarians and local community leaders		Cumulative number	Project promoter records	0	10
Number of persons with improved skills in media literacy and/or civic engagement for community resilience	Age	Cumulative number	Project promoter records	0	500
Bilateral Outcome: Enhanced collaboration between beneficiary and donor state entities involved in the programme					
Level of relevance of the partnership		Scale 1-5	FMO survey	N/A	4
Level of effectiveness of the partnership		Scale 1-5	FMO survey	N/A	4
Level of efficiency of the partnership		Scale 1-5	FMO survey	N/A	4
Level of added value of the partnership		Scale 1-5	FMO survey	N/A	4
Level of sustainability of the partnership		Scale 1-5	FMO survey	N/A	4
Level of involvement of the project partner in the project		Scale 1-5	FMO survey	N/A	4
Level of trust between partners		Scale 1-5	FMO survey	N/A	4
Level of overall satisfaction with the partnership		Scale 1-5	FMO survey	N/A	4

Conditions

General

1. The maximum level of funding for investment in infrastructure and equipment (hard measures) is set at 65% of the total eligible expenditure of the Programme.

2. The Programme Operator shall ensure a functional separation within the Ministry of Smart Administration and Regional Development of the tasks of the Programme Operator on one hand, and the role of Project Promoter for the pre-defined project no. 6 (as identified in section 3 of Annex II to this Agreement) on the other hand. The Audit Authority shall provide the National Focal Point with a positive assessment of a sufficient functional separation within one year from the entry into force of this Agreement.

3. The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:

- Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
- Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
- Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

Pre-eligibility

4. No costs shall be eligible under the pre-defined projects before a detailed budget for the respective pre-defined project, including the identity, role and contribution of any project partner(s) and/or Donor project partner(s), has been agreed with the respective partners and submitted by the Programme Operator to the FMO, and the FMC has confirmed the grant to the project as described in Annex II to this Programme Agreement.

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	10/10/2025	30/04/2032
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 50,888,235.29
Programme grant rate (%)		85.00 %

Maximum amount of Programme grant - EEA Financial Mechanism (€)	€ 43,300,000.00
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)	-
Maximum amount of Programme grant - Total (€)	€ 43,300,000.00

PA	Budget Heading	EEA Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Grant advance payment
PM	Programme management	€ 3,255,000.00	€ 3,255,000.00	85.00 %	€ 574,411.76	€ 3,829,411.76	n/a
PA09	Outcome 1 (EEA Grants)	€ 31,745,000.00	€ 31,745,000.00	85.00 %	€ 5,602,058.82	€ 37,347,058.82	n/a
PA06	Outcome 2 (EEA Grants)	€ 8,000,000.00	€ 8,000,000.00	85.00 %	€ 1,411,764.71	€ 9,411,764.71	n/a
BF	Bilateral funds at programme level	€ 300,000.00	€ 300,000.00	n/a[4]	n/a[5]	€ 300,000.00	n/a
Total[6]		**€ 43,300,000.00**	**€ 43,300,000.00**	**85.00 %**	**€ 7,588,235.29**	**€ 50,888,235.29**	**€ 0.00**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 382,941.18

[4] Grant amount of Bilateral funds at programme level is not relevant for the calculation of programme grant rate

[5] Grant amount of Bilateral funds at programme level is not relevant for the calculation of programme co-financing

[6] The MoU was signed with rounded figures according to standard financial rules for rounding. The figures in the budget tables in Annex I to this Programme Agreement include the two decimals behind the rounded figures in the MoU.

Local Development and Resilience

Operational rules (Annex II)

1. Programme summary

This Annex sets out the operational rules for the Programme. The Programme Agreement is based on the Memorandum of Understanding, the Concept Note, and comments made by the FMC. Commitments, statements and guarantees, explicit as well as implicit, made in the Concept Note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this Programme Agreement.

The Programme Operator is the Ministry of Smart Administration and Regional Development of the Republic of Latvia. The Norwegian Directorate for Civil Protection (DSB) and the Norwegian Association of Local and Regional Authorities (KS) are Donor Programme Partners (DPPs).

The objective of the Programme is to enhance resilience and preparedness of Latvia's local authorities and state institutions, including strengthening the civil protection system and building safer and more resilient communities. The aim is to strengthen Latvia’s civil protection infrastructure and societal resilience through a comprehensive whole-of-society and all-hazards approach crisis preparedness, security and societal resilience. The Programme contributes to this objective through two Outcomes, implemented through a combination of predefined projects (PDPs), and a restricted call for proposal.

Outcome 1 "Strengthen civil protection systems and crisis preparedness” shall be addressed though three PDPs and a restricted call for proposals.

PDP 1 will support civil protection training and awareness-raising, strengthen institutional coordination, expand and modernise the emergency alarm siren network, enhance shelter-related capacities, and improve crisis preparedness in the cultural heritage sector. The project shall improve the preparedness of society and the cultural sector for crisis situations, with a focus on working with public institutions that manage public buildings and cultural heritage sites to strengthen their ability to plan and act in emergencies.

PDP 2 shall strengthen the resilience and preparedness of Latvia’s healthcare system to ensure the continuity of essential medical services in crisis situations.

PDP 3 shall strengthen the resilience and operational continuity in State Social Care Centres (SSCC) in crisis situations with a specific focus on the safety and protection of vulnerable population groups.

Call 1 “Support for municipalities for the development of civil protection infrastructure” will be based on the Cabinet of Ministers (hereinafter – the Cabinet) approved priority list of Category III shelters[7] and aims to strengthen the state's ability to respond to crisis situations by investing in civil protection infrastructure. This includes the adaptation and equipping of existing facilities to serve as shelters.

[7] Category III shelters are shelters created by adapting buildings or parts of buildings to reduce the impact of a blast shock wave and fragments

Outcome 2 “Strengthened community preparedness and citizen engagement in local governance” shall be addressed though three PDPs.

PDP 4 will strengthen the capacity of Latvian municipalities in crisis management by developing stronger crisis management systems and operational plans aligned with national legislation and risk scenarios.

PDP 5 will strengthen the role of libraries as trusted, multifunctional public spaces that contribute to more resilient and sustainable communities.

PDP 6 will improve governance and promote inclusive cooperation and dialogue between municipalities and society, thus strengthening democracy and good governance, enhancing municipal understanding and support for public participation, and empowering local communities and residents to engage meaningfully in the development processes of municipal territories.

The Programme Operator shall avoid double funding and ensure complementarity when supporting shelter infrastructure through the programme.

2. Selection of projects

2.1 Calls and availability of funds (including number of calls, duration of calls, and estimated size):

The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. Any remaining costs of the project shall be provided or obtained by the Project Promoter and/or project partners.

Modality	**Available amount (€)**	**Project grant rate (%)**	**Minimum and maximum project grant amount (€)**	**Indicative launch date and duration of call**
Outcome 1				
Restricted call	€22,642,024	100%	€40,000 - €5,500,000	Launch date: Q4 2026 – Q1 2027 Duration: 3 months with the option to extend the deadline for submitting the project application

A second restricted call may be launched if the Cabinet approved priority list of Category III shelters is amended and/or unallocated programme funds are available. The decision to launch a second call shall be taken in consultation with the FMO.

2.2 Eligible applicants and project partners:

Modality	Eligible applicants	Eligible partners
Restricted call	Derived public entities, including municipalities and other public entities established by law or on the basis of law, municipal institutions, municipally owned enterprises, public-private capital companies, and capital companies controlled by public entities that have been included in the priority list of shelters at the initiative of municipalities and approved by the Cabinet of Ministers of Latvia.	Derived public entities, including municipalities and other public entities established by law or on the basis of law, municipal institutions, municipally owned enterprises, public-private capital companies, and capital companies controlled by public entities that have been included in the priority list of shelters at the initiative of municipalities and approved by the Cabinet of Ministers of Latvia.

2.3 Selection procedures:

In accordance with Article 7.5.6 of the Regulation, the selection procedures for the restricted call shall be the following:

The restricted call for proposals for civil protection shelters is restricted to municipalities and municipal entities responsible for facilities included on the priority list of shelters approved by the Cabinet of Ministers. Applications may only be submitted for shelter facilities included on the list.

Applications will be assessed on a rolling basis. The assessment process will focus on the technical quality, cost-effectiveness, maturity, feasibility and eligibility of the proposed activities. Each grant award decision may be taken upon completion of the assessment of the respective application.

The Selection Committee shall consist of at least three voting members. At least two voting members shall be representatives of the Programme Operator, and one voting member shall be a representative of the Ministry of the Interior.

Donor Programme Partners shall not be voting members of the Selection Committee. The Donor Programme Partners, FMC, the embassies of the Donor States and the National Focal Point shall be invited to participate in the selection process as observers. Observers shall be provided with the relevant documents in English.

All costs related to the selection process shall be covered from the management cost of the Programme Operator.

The following selection procedures shall apply:

1. The Programme Operator shall review the applications against the administrative and eligibility criteria, including any exclusion criteria.
2. Applications that meet the administrative and eligibility criteria shall be subject to a technical assessment carried out by experts from the State Fire and Rescue Service appointed by the Programme Operator. Where necessary, additional external experts may be called upon to provide advice on specific issues.

3. The Programme Operator shall provide the Selection Committee members and observers with a summary of each project application and the experts' assessment in English. The Selection Committee shall review the experts' assessment and on that basis make a recommendation to the Programme Operator.
4. The Programme Operator shall verify that the selection process has been conducted in accordance with the Regulation, this Programme Agreement, the call text and the objectives of the Programme. Following such verification the Programme Operator shall, based on the recommendations of the Selection Committee, make a final funding decision. The Programme Operator may adopt a decision to:
    1. approve the project application;
    2. approve the project application with conditions; or
    3. reject the project application.
5. The Programme Operator shall inform the Selection Committee, including its observers, of the decision taken, including the justification for any rejections or approval with conditions.
6. The Programme Operator shall provide the FMC with the list of selected projects at the conclusion of the selection process.

3. Pre-defined projects

1) "Improving the preparedness of society and the cultural sector for crisis situations"

Project Promoter:	Ministry of the Interior - Latvia
Donor project partner(s):	Norwegian Directorate for Civil Protection (DSB) Norwegian Directorate for Cultural Heritage (RA)
Other project partner(s):	Ministry of Culture State Fire and Rescue Service National Heritage Board of Latvia Information Centre of the Ministry of the Interior
Total maximum eligible costs:	€ 7,493,898.00
Project grant rate:	100.00 %
Maximum project grant amount:	€ 7,493,898.00
Estimated duration:	36 months

The project aims to strengthen Latvia's national resilience, the civil protection system, and cultural heritage preparedness by addressing low levels of crisis preparedness, fragmented institutional cooperation, limited public awareness, and the vulnerability of cultural heritage institutions in emergency situations. The project will promote a horizontally integrated approach involving state institutions, municipalities, NGOs, cultural heritage institutions, communities, and other stakeholders to improve coordination, planning, and response capacity.

The project shall also include the performance of the obligations of the Project Promoters and project partners referred to in Articles 3.4.1, 3.4.2 and 3.4.3 of the Regulation for PDP2, PDP3 and projects selected under the restricted call.

Key activities include:

- Targeted training to strengthen civil protection, disaster management and societal resilience capacities of state and municipal officials, teachers, emergency and essential service providers, local community leaders, entrepreneurs, civil society organisations and volunteers.
- Public awareness and participation campaign to promote a culture of preparedness through practical exercises, educational events, and the testing of societal resilience to disinformation.
- Development of an information and communication technology (ICT) solution for the State Fire and Rescue Service, to support the collection, management and publication of civil protection data for state institutions, municipalities, civil society organisations, businesses and individuals.
- Operational and technical capacity-building of the State Fire and Rescue Service in relation to the shelter network, including the development of methodologies, technical guidance, inspections carried out in accordance with the applicable regulatory framework, and other statutory civil protection functions of the State Fire and Rescue Service.
- Strengthening crisis preparedness in cultural heritage and memory institutions through risk assessments, development of action plans, trainings and simulations, and infrastructure adaptation. Specific resilience-building activities will target libraries and municipal employees.
- Modernisation and expansion of the emergency alarm siren network through the installation of new units and the upgrade of existing sirens.
- Supporting activities linked to shelter infrastructure and the emergency alarm siren network, for example through public information campaigns on shelter locations, access and use, and through the development of shelter administration guidelines.
- Exchange of information and experience, including from the Donor States, on shelter infrastructure developments and civil protection topics.
- Establishment of an annual nationwide “Resilience Week” which will aim to engage local NGOs to strengthen their capacities through improving their understanding of civil protection processes and increasing their involvement in regional resilience-building activities. The first edition will designate a city within the Latgale region as the event’s capital.
- Strengthening crisis preparedness at the Daugavpils Fortress in the Latgale region through risk mapping and assessments, site inspections, action planning, crisis scenario development, technical planning and practical crisis simulations involving emergency services, municipalities, volunteers and heritage professionals.

2) "Improvement of Healthcare Infrastructure Resilience"

Project Promoter:	Ministry of Health - Latvia
Other project partner(s):	State Blood Donor Centre State Centre for Forensic Medical Examination of the Republic of Latvia State Emergency Medical Service of Latvia

	State Limited Liability Company “Children’s Clinical University Hospital” Limited Liability Company “Daugavpils Regional Hospital” (owned and controlled by the State, municipalities and Riga Stradiņš University) State Limited Liability Company “National Centre of Mental Health” State Limited Liability Company “National Rehabilitation Centre “Vaivari” State Limited Liability Company “Strenči Psycho-Neurological Hospital” State Limited Liability Company “Hospital of Traumatology and Orthopaedics” State Limited Liability Company “Ainaži Children's Psychoneurological Hospital” Limited Liability Company “Dobele and Surrounding Area Hospital” – Dobele County Municipality Limited Liability Company “Jelgava City Hospital” – Jelgava State City Municipality Limited Liability Company “Liepāja Regional Hospital” – Liepāja State City Municipality Limited Liability Company “Preiļi Hospital” – Preiļi County Municipality Limited Liability Company “Krāslava Hospital” – Krāslava County Municipality Limited Liability Company “Tukums Hospital” – Tukums County Municipality Limited Liability Company “Vidzeme Hospital” – Valmiera County Municipality Limited Liability Company “Jūrmala Hospital"– Jūrmala State City Municipality Limited Liability Company “Zemgale Health Centre” – Jelgava State City Municipality Limited Liability Company “Ādaži Hospital’” – Ādaži County Municipality Limited Liability Company “Jēkabpils Hospital” - Jēkabpils County Municipality Limited Liability Company “Jaunliepāja Primary Health Care Centre” – Liepāja State City Municipality Limited Liability Company “Vecliepāja Primary Health Care Centre” – Liepāja State City Municipality Limited Liability Company “Riga 1st Hospital” – Riga State City Municipality Municipal Agency “Saulkrasti Health Centre” – Saulkrasti County Municipality
Total maximum eligible costs:	€ 4,941,393.00
Project grant rate:	100.00 %
Maximum project grant amount:	€ 4,941,393.00
Estimated duration:	36 months

The objective of the project is to improve the preparedness and resilience of healthcare institutions to enable them to provide life-saving services in a time of crisis. The project will aim to ensure the continued operation of the named healthcare institutions with uninterrupted electricity in safe conditions. The two main activities to achieve this are the following:

- Adaptation and equipping of existing healthcare premises for use as Category III shelters. This may entail the installation of ventilation systems, reinforcement of entrances and installing necessary equipment.
- Acquisition and installation of electricity generators to ensure the continuous provision of medical services in the event of external electricity supply disruptions for at least 24 hours.

3) "Improving Emergency Preparedness in State Social Care Centres"

Project Promoter:	State LLC “Šampētera nams”
Total maximum eligible costs:	€ 2,269,743.00
Project grant rate:	100.00 %
Maximum project grant amount:	€ 2,269,743.00
Estimated duration:	30 months

The objective of the project is to mitigate risks to the operation and safety of state social care centres in emergency situations. Clients of the state social care centres include vulnerable persons who depend on uninterrupted service in a safe environment. The project will aim to ensure uninterrupted service by setting up a backup electricity supply and establish shelters in selected state social care centres. The two main activities are the following:

- Procurement and installation of 23 electricity generators to ensure continuity of operations during power outages.
- Adaption and equipping of basement premises in three locations for use as Category III shelters. This may entail the installation of ventilation systems, reinforcement of entrances and installing necessary equipment.

4) "Strengthening the resilience of local governments"

Project Promoter:	Latvian Association of Local and Regional Governments
Donor project partner(s):	Norwegian Association of Local and Regional Authorities (KS)
Other project partner(s):	Latvian Association of Large Cities
Total maximum eligible costs:	€ 3,672,316.00
Project grant rate:	100.00 %
Maximum project grant amount:	€ 3,672,316.00
Estimated duration:	48 months

The project will address weak crisis governance at the municipal level and the fragmented civil protection and emergency response between municipalities, emergency services, NGOs and residents. The project will support the development of good crisis governance principles, improved crisis management capacities, enhanced communication and cooperation mechanisms, and greater use of

digital solutions in municipal crisis management. The project also foresees synergies with PDP1 through the development of model procedures for the use of shelter-adapted spaces in crisis situations.

Key activities include:

- Development of procedures at municipal level for planning, decision-making and action before and during crisis situations.
- Establishment of inter-municipal cooperation networks on civil protection and emergency response.
- Best practice exchanges, including in crisis communication.
- Design and implementation of municipal crisis management structures and leadership models.
- Adoption of digital tools and systems for municipal crisis management. This includes the development of a data access algorithm, the implementation of an event-based information exchange mechanism as well as an analysis of existing municipal security solutions to establish common principles and guidelines for data exchange, security and system integration.

5) "The development of libraries as a pillar for democracy and inclusive society"

Project Promoter:	National Library of Latvia
Donor project partner(s):	Norwegian Association of Local and Regional Authorities (KS) Norwegian Library Association
Other project partner(s):	Daugavpils City Council Gulbene Municipality Council Jelgava City Council Liepāja City Council Rēzekne City Council Salaspils Municipality Council Valmiera City Council
Total maximum eligible costs:	€ 3,529,412.00
Project grant rate:	100.00 %
Maximum project grant amount:	€ 3,529,412.00
Estimated duration:	36 months

The project aims to strengthen libraries as community resilience hubs by fostering strategic partnerships and improving the capacity of libraries to disseminate civil protection information, provide access to reliable information, and support community cooperation during crises.

Key activities include:

- Preparedness of libraries strengthened by providing libraries with electronic resources and implementing a targeted information campaign about the role of libraries in community resilience. The activities will also include a feasibility study on the role of libraries in community resilience and the adaptation of Norwegian materials on libraries and civil resilience
- Training to enhance the preparedness and resilience of librarians to provide support for communities in crises. The project will seek synergy with the national level bilateral initiative

implemented by the Baltic Centre for Media Excellence on media literacy while avoiding overlap.

- Experience exchange through seminars, workshops, webinars and internships between Latvian and Norwegian libraries and municipalities with the aim to establish a professional network on crisis preparedness, media literacy, and information resilience and integrity.
- Space improvements in seven libraries in the named municipalities to adapt them as safe spaces for the community during crises. This entails equipping the libraries with electricity generators and the development and testing of action plans, operational procedures and coordination instructions.
- Digitization expertise improvement in seven libraries in the named municipalities. This entails the digitisation and preservation of library collections, including locally significant documents, for access by the community.
- Development and implementation of public educational events in libraries, in cooperation with local NGOs, on different aspects of community resilience and library support.
- Improvement of infrastructure in libraries for teaching, including mobile classes, and IT infrastructure for library visitors.

6) "Strengthening the citizen engagement"

Project Promoter:	Ministry of Smart Administration and Regional Development – Latvia
Donor project partner(s):	Norwegian Association of Local and Regional Authorities (KS)
Total maximum eligible costs:	€ 2,210,036.71
Project grant rate:	100.00 %
Maximum project grant amount:	€ 2,210,036.71
Estimated duration:	48 months

The project aims at improving governance and promoting inclusive cooperation and dialogue between municipalities and society to strengthen democracy and good governance, enhance municipal understanding and support for public participation. It further aims at empowering local communities and residents to engage meaningfully in the development processes of municipal territories. The project also foresees cooperation and synergies with PDP5 through activities promoting libraries as community hubs supporting civic participation, community engagement and the strengthening of local communities.

Key activities include:

- Evaluation of participation and civic engagement mechanisms in municipalities.
- International cooperation events, including a workshop in Norway.
- Training of municipal staff in participatory governance and decision-making processes.
- Development and improving of guidelines on needs-based support for improving participation processes.

- Implementation of activities for communities to foster social cohesion and promote dialogue and participation in decision-making processes.
- Cooperation events for municipal staff.

4. Bilateral relations

The funds for bilateral relations at programme level shall support bilateral activities thematically linked to both programme areas. The funds may be used to, *inter alia,* strengthen institutional capacity, governance and inclusion, civic engagement, community resilience and preparedness.

The funds for bilateral relations at programme level shall be used to strengthen cooperation on civil preparedness between the Donor States, Latvia, Estonia, Lithuania and Poland through exchange of experience and best practice on shared challenges. Support shall be provided for a variety of activities, *inter alia*, expert seminars and workshops, study visits and peer-to-peer learning, and community and civil society networking.

The use of the funds for bilateral relations allocated to the programme shall be decided in consensus by the Programme Operator and the Donor Programme Partner(s).

The Cooperation Committee shall consist of representatives from the Programme Operator and the Donor Programme Partners. The Programme Operator and the Donor Programme Partners shall agree on the rules and procedures applicable to the Cooperation Committee.

The Norwegian Directorate for Civil Protection (DSB) shall as Lead Donor Programme Partner for the Programme and provide strategic expertise related to disaster prevention, preparedness and civil protection. The Norwegian Association of Local and Regional Authorities (KS) shall act as Donor Programme Partner for the programme area "Local development, good governance and inclusion" and provide expertise in local governance, citizen engagement, community resilience and municipal cooperation.

5. Programme management and financial parameters

5.1 Special rules on eligibility of costs:

Costs related to the preparation of technical documentation required for the project application the restricted call may be eligible as of the date of publication of the call, in accordance with Article 8.14.3 of the Regulation. The call text shall include clear and transparent rules on the eligibility of preparation costs.

Where applicable, the forms of grants for Donor project partners in each pre-defined project shall be agreed with the respective Donor project partners.

Management costs shall take the following forms:

1. Direct staff costs shall take the form of unit costs calculated in accordance with Article 8.6.2 (a) of the Regulation.
2. Remaining direct costs shall take the form of eligible costs actually incurred.
3. A flat rate of 7% of the eligible direct costs shall apply for indirect costs, in accordance with Article 8.5.1 (a) of the Regulation.

Costs of the projects under restricted call shall take the following forms:

1. Direct staff costs shall take the form of flat rate calculated in accordance with Article 8.6.1 of the Regulation.
2. Remaining direct costs shall take the form of eligible costs actually incurred.
3. A flat rate of 15% of the eligible direct staff costs shall apply for indirect costs, in accordance with Article 8.5.1 (b) of the Regulation.

Grants to Latvian Project Promoters and partners in pre-defined projects shall take the following forms:

1. Direct staff costs shall take the form of unit costs calculated in accordance with Article 8.6.2 (a) of the Regulation.
2. Travel and subsistence allowances and face-to-face event costs shall take the form of unit costs in accordance with Article 8.3.2 (b) and (c) of the Regulation.
3. Remaining direct costs, shall take the form of eligible costs actually incurred.
4. A flat rate of 7% of the eligible direct costs shall apply for indirect costs, in accordance with Article 8.5.1 (a) of the Regulation.

5.2 Programme administrative structures:

Not applicable.

6. Miscellaneous

Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level and conditions of advance payments shall be set out in the project contract. Advance payments to Project Promoters may not exceed 50% of the total project grant. Advance payments may be made in one or more instalments. The combined amount of advance and interim payments may not exceed 90% of the total project grant.